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8/26/75

THE AMBASSADOR VIA DCM

LEGAT ROBERT W. SCHERRER

FOREIGN POLITICAL MATTERS - ARGENTINA

'ALL THRORMATION CONTAINED HERRIN IS UNCLASSIFIED EXCEPT WHERE SHOWS OTHERWISE

On Sunday evening, 8/24 75, I met Brigadier General ALBERTO'S. CACERES, the Commander of the Argentine Army First Corps, at a birthday party for a mutual friend. General CACERES privately advised that he is disgusted with the present state of affairs in the Argentine Army and is giving serious consideration to retiring unless the present situation involving Colonel VICENTE DAMASCO's occuping the position of the Minister of Interior while on active duty is resolved. General CACERES advised that he has been personally insulted by several other Argentine Army Generals for the position he took in the DAMASCO affair in not voting to demand DAMASCO's immediate retirement from the Argentine Army. General CACERES stated he had hoped, along with several other Generals, that DAMASCO would voluntarily submit his resignation after it became apparent that his occupying the position of Minister of Interior was causing serious division within the Army.

General CACERES advised that the two recent assassinations of Captain KELLER and Major LARRABURE further added fuel to the fire and caused dissent among the hard line Generals, who are dissatisfied with General LAPLANE's performance as Army Commander. General CACERES advised that General VIOLA, the Second Corps Commander in Rosario, General SUAREZ MASON, the Fifth Corps Commander in Bahia Blanca, General EDUARDO BETI, the Commander of Institutos Militares, and General VAQUERO, the Director of the Escuela Nacional de Defensa, apparently believe that Colonel DAMASCO should be forced to retire immediately, and that General LAPLANE should be replaced as the Argentine Army Commander. General CACERES advised that several of his fellow Generals have accused him of maneuvering to replace LAPLANE as Army Commander, noting that should the Army as an institution force the issue of DAMASCO's retirement, it would be reasonable to expect that the Argentine Executive would retaliate against those Officers, specifically ranking Generals, who brought about the crisis over DAMASCO.

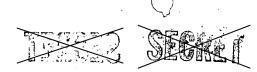
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FOREIGN POLITICAL MATTERS - ARGENTINA

General CACERES advised he does not believe that the Army is prepared to stage a coup against the Argentine Executive, but indicated that discontent among the aforementioned Argentine Army Generals and to some extent among Colonels and Majors over DAMASCO's holding the Minister of Interior pubtfolio might force the Argentine Executive to make changes in the Argentine Army, in order to relieve the dissension. General CACERES stated he envisioned the following possible alternatives:

- 1. Retire all Argentine Army Generals who voted in opposition to allowing DAMASCO to hold the Minister of Interior position for the next sixty days and remain on active duty during this period $X_{([])}$
- 2. Retire General LAPLANE and Colonel DAMASCO. According to General CACERES this set of circumstances would eliminate dissatisfaction over General LAPLANE's performance among several sectors of the Army. It would also solve the problem of Colonel DAMASCO being on active duty and holding a Cabinet position
- 3. Retire all the Commanders-in-Chiefs of the three Services in order not to single out the Army over the DAMASCO issue, since obviously the other Service Commanders are opposed to DAMASCO's occupying the Minister of Interior's post, while on active duty.

General CACERES stated he is personally puzzled by DAMASCO's motivation in not submitting his retirement upon taking over the Minister of Interior's portfolio. General CACERES speculated that one of DAMASCO 's reasons for remaining on active duty is the belief that he may possibly be promoted to General at the end of the year. General CACERES observed that the Army promotions at the end of the year would be well beyond DAMASCO's 60-day authorization from the Army to remain on active duty, while holding the position of Minister of the Interior. General CACERES advised that if the current level of agitation among senior Army Officers continues, some action either within the Army or from without will have to be taken in the near future.

